

Notes from Air Quality Stakeholder Group Meeting #2

August 20, 2014

Introductions and Review Workgroup Charter- Darrell Hanson

Asked if draft workgroup charter was acceptable to everyone.

Q: The draft charter says that if subcommittee meetings are held they will occur outside of the stakeholder group meetings but it also says that subcommittees may not work independently of the chartered stakeholder group. Does this mean that subcommittees can meet independently but cannot make decisions independent of the workgroup?

A: Correct.

There were no objections to the charter. The charter is considered final.

Action: DNR will post the final charter on the stakeholder group Webpage.

Follow-up on action items from meeting #1- Catharine Fitzsimmons

Reviewed handouts that addressed follow-up action items from the last meeting. The follow-up handouts will be posted on the stakeholder group Webpage. The handouts included the following:

1) Breakdown of PSD Complex permits from established vs. new facilities during calendar years 2013 and 2014.

2) Calculation projection of what fee/ton would have been if the fee was not limited to the first 4,000 tons per pollutant at each facility.

3) Percentage of fee payers that are utilities.

14% of Title V permit holders are utilities. EGUs were 15.2% of TV permits but with the loss of Fair Station and Sixth Street Station the percentage is down to 13.8%.

4) Summary of total tons per pollutant (196,767 tons for 2013)

5) Summary of Title V facilities with emissions less than 100 tons.

6) Other DNR ESD fee programs.

7) 2013 Survey of Surrounding States' Construction Permitting Fees/Construction Permit Fee Alternatives for Iowa

Q: On handout that shows that utilities represent 13.8% of the Title V permit holders, is the percentage of emissions or of permit holders?

A: The percentage is of facilities that have Title V permits.

Future Funding Challenges: SO2 Data Requirements Rule- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 4 through 14.

Q: Will additional Federal funds being provided to implement the rule?

A: No. DNR did comment to EPA on the lack of additional funding to implement the rule during the public comment period.

Q: How many nonattainment areas is DNR planning for?

A: Don’t know. Have not completed modeling.

Q: Can you model at some locations and monitor at others?

A: Yes. However, if there is more than one affected source in an area then either modeling or monitoring has to be used for both sources.

Future Funding Challenges: Revitalizing Communities- Asbestos- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 15 through 19.

Q: Are the cost projections for 1, 2, or 3 inspectors?

A: Two cost projection options are provided: 1 inspector or 3 inspectors.

Future Funding Challenges: Ozone Standard- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 20 through 22.

Future Funding Challenges: Construction Permit Backlog- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 23 through 27.

Future Funding Challenges: Title V Permit Backlog- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 24 through 32.

Q: Does the added FTE reflect the ability to complete additional permits per year (capacity of 46 permits/year in slide 29 to 51 permits/year in slide 30)?

A: Yes. The chart on slide 30 shows that by adding one new Title V staff, our capacity to issue permits increases from 46 to 51 permits starting in 2016. Since the Title V renewal applications are required to be submitted 4.5 years after issuance, the number of new applications we receive will also increase from 46 to 51, 4.5 years later in 2021.

Q: For permit modifications (slide 31), are you ignoring EPA rules if more than three years are being taken to issue modifications?

A: Yes. The obligation is on sources to apply for modifications to permits within the specified time period, not on agency to complete permit modifications within the time period.

Future Funding Challenges: Information Technology Services- Jason Marcel

See “Introduction to Additional Costs” presentation, slides 33 through 60.

Q: Why have assistance requests increased in SPARS?

A: Web browser technology upgrades can affect ability to use SPARS. User security settings can also cause problems using SPARS if not set properly. Business changes, such as form updates, impact some SPARS applications.

Q: What is current SPARS utilization?

A: There were 170 replies to the SPARS survey. As indicated on slide 44, approximately 50% of the survey responders used SPARS to submit their minor source and Title V source emissions inventories. The percentages on slide 44 are consistent with what we typically see annually in terms of SPARS use, with the exception of submitting construction permit applications. Construction Permit Applications submitted using SPARS is usually far less (~10-20 per year). Construction Permit project tracking is used extensively both internally and externally.

Future Funding Challenges: Carbon Standards – 111(d) - Jason Marcel

See “Introduction to Additional Costs” presentation, slides 61 through 75.

Q: Is DNR planning on submitting comments on EPA’s draft rule?

A: DNR has been listening to and meeting with stakeholders. More meetings are planned with stakeholders. DNR may have comments on proposed implementation provisions.

Future Funding Challenges: Summary- Catharine Fitzsimmons

See “Introduction to Additional Costs” presentation, slides 76 through 77 and additional handout duplicating the table.

Q: For modeling under the Data Requirements Rule, has the cost to periodically redo the modeling been factored in?

A: No.

Q: If the modeling path is selected under the Data Requirements Rule, would the modeling be completed in-house or contracted out?

A: Costs are based on conducting modeling in-house.

Q: Is an asbestos inspector mandated by rule?

A: We have to be able to ensure compliance so there has to be some rate of inspections. However, there is no specific inspection rate required for asbestos.

Q: The Funding Summary Challenges table (slide 76) has many unknowns. It is difficult to incorporate this summary into the overall bureau funding picture. Are these numbers included in the status quo budget projections (slide 2)?

A: No. If facilities want to monitor under the Data Requirements Rule, this committee and others will need to work together to establish funding to accomplish it. DNR will use modeling path if no money is provided for monitoring. The summary provides pieces to add to 1st chart (slide 2). The recommendations of this workgroup will establish the level of services you want and how you want to fund them.

Comment: What is the most efficient approach for regulators may not be the most efficient approach for regulated facilities.

Review of Other State's Funding- Catharine Fitzsimmons

See "Review of other states funding" presentation.

Q: Did states provide information on no-fee funding?

A: Yes. See question 10 of survey.

Q: Footnote 3 is confusing on State Fees Comparison handout (also slide 29). Is KS included?

A: **Action:** DNR will review and update the footnotes as needed to accurately depict the states included (or excluded) from the averages. The chart was corrected to exclude DE and KS from the registration permit "a." averages since neither charge a fee.

Q: Your definition of a project assumes three emission points. Did this impact other state's cost estimates?

A: We don't know. Although that might be discerned looking at the details in the survey or the permit calculators used by some states.

Comment: Linn and Polk County fee structures were outlined.

Action: Add Linn and Polk County local program fees to chart for comparison purposes.

Establishing Interests and Priorities

Workgroup members were each provided with four post-it notes and asked to write one idea on each note related to the following questions:

- What does each stakeholder see as the most important problem to solve (or to avoid creating) with regard to Air Quality Program Funding?
- What should be the highest priority of any proposal?

Responses were stated by workgroup members then collected and grouped into 15 categories. The categories were:

- Everybody Pays + Fee for Service
- Long Term Funding
- Non Fee
- Process Improvement
- Adequate Funds
- Reward for Emissions Reductions
- Reduced Scope of Work
- Paying for Expedited Turnarounds
- No Service for No Fees
- Environmental Impact Based Funding
- Program Preservation
- Increase Emissions Fee
- Pay for New Activities
- Develop Menu of Funding Options
- Simple Fee Structure

Workgroup members were asked to review the placement of each idea note under each category and make changes to the placement of the notes, if needed. Each workgroup member then assigned 10 votes in any combination on one or more categories.

Action: DNR will have primary workgroup members not present at the meeting vote on the categories prior to the next meeting.

Action: DNR will tabulate the ideas under each category and the votes for each category for discussion at the next meeting.

Wrap-up- Darrell Hanson

The next meeting scheduled for Sept 30th at 10:00 am.

It was agreed that Jason's Deli will be used for lunch orders again. Members strongly encouraged to pay on-line using credit cards, if comfortable with doing so.

The agenda for next meeting will include discussing voting results. Members who want to present specific proposals on air quality program funding or priority issues should contact Jim McGraw to be added to the agenda. A report authorship group will also be on the agenda for discussion.

Please complete the Doodle survey on possible meeting dates for October and November if you have not already done so. Meeting dates will be set by August 29th and shared with the workgroup.